

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
White City, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

Year Ended June 30, 2011

ALDRICH & COMPANY LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
COUNCIL GROVE, KS 66846

Unified School District No. 481  
Rural Vista  
White City, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

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# ALDRICH & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

Board of Education  
Unified School District No. 481  
White City, KS

We have audited the accompanying statutory basis financial statements of Unified School District No. 481, Rural Vista as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 481 management. Our responsibility is to express an opinion on these statutory basis financial statements based on our audit. The prior year partial comparative information has been derived from the District's June 30, 2010 financial statements and, in our report dated January 3, 2011, we expressed an unqualified opinion on the respective financial statements, taken as a whole, on the statutory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidance in the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, USD 481 prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable is presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Rural Vista USD No. 481, as of June 30, 2011, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, the Unified School District No. 481 has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Rural Vista USD No. 481, as of June 30, 2011, and its cash receipts and expenditures, and budget to actual comparisons for the year then ended, taken as a whole, on the basis of accounting described in Note 2.

*Aldrich & Company, LLC*

ALDRICH AND COMPANY LLC  
CERTIFIED PUBLIC ACCOUNTANTS

November 2, 2011

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

STATEMENT 1

Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Fiscal Year Ended June 30, 2011

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ (270,555)		\$ 3,214,023	\$ 3,142,169	\$ (198,701)	\$ 6,431	\$ (192,270)
Supplemental General	(51,914)		1,024,466	975,000	(2,448)	38,564	36,116
Special Revenue Funds							
Capital Outlay	530,434		252,865	401,933	381,366	29,890	411,256
Drivers Education	40,000		3,544	5,731	37,813		37,813
Food Service	79,991		216,353	238,011	58,333		58,333
Professional Development	10,709		2,514	3,223	10,000		10,000
Special Education	366,123		657,626	566,666	457,083		457,083
Vocational Education	0		250,628	250,628	0	1,870	1,870
Contingency Reserve	150,000		0	0	150,000		150,000
Title I	0		102,877	102,877	0		0
Title II A Teacher Quality	0		22,298	22,298	0		0
Title II D Education Technology	0		10,000	10,000	0		0
Title II D Technology Rich Grant	0		28,000	28,000	0		0
REAP Grant	0		32,025	32,025	0		0
Miscellaneous Grants & Clearing	4,584	1,995	8,741	7,326	7,994	2,704	10,698
KPERs Retirement Contributions	(88,311)		227,498	139,187	0		0
At-Risk (4 year old)	7,527		42,063	31,175	18,415		18,415
At-Risk (K-12)	0		165,280	165,280	0	743	743
Charter School	0		0	0	0		0
District Activity Funds	23,499		74,421	74,794	23,126		23,126
Debt Service Funds							
Bond and Interest	572,485		302,773	292,500	582,758		582,758
Fiduciary Funds							
Private Purpose Trust Funds	34,571	0	976	16	35,531	0	35,531
Total Reporting Entity (excluding agency funds)	\$ 1,409,143	\$ 1,995	\$ 6,638,971	\$ 6,488,839	\$ 1,561,270	\$ 80,202	\$ 1,641,472

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

STATEMENT 1 (Con't.)

Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Fiscal Year Ended June 30, 2011

Composition of Cash:

First National Bank, Hope, Kansas	
District Checking Accounts	\$ 548,197
District Certificates of Deposit	54,630
Hope School Activity Fund	28,224
Central National Bank, White City, Kansas	
District Certificates of Deposit	726,519
White City School Activity Fund	37,532
Farmers State Bank, Dwight, Kansas	
District Certificates of Deposit	1,000
Citizens State Bank, Woodbine, Kansas	
District Certificates of Deposit	<u>288,000</u>
Total Cash	1,684,102
Agency Funds per Statement 4	<u>(42,630)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 1,641,472</u>

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 2

Summary of Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011

<u>Governmental Type Funds</u>	<u>Certified Budget</u>	<u>Adjustments to Comply with Legal Max</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
General Fund	\$ 3,327,152	\$ (187,001)	\$ 2,018	\$ 3,142,169	\$ 3,142,169	\$ 0
Supplemental General	975,000			975,000	975,000	0
Special Revenue Funds						
Capital Outlay	545,000			545,000	401,933	143,067
Drivers Education	38,438			38,438	5,731	32,707
Food Service	285,433			285,433	238,011	47,422
Professional Development	3,000			3,000	3,223	(223)
Special Education	537,618		11,748	549,366	566,666	(17,300)
Vocational Education	254,271			254,271	250,628	3,643
KPERS Retirement Contributions	199,048			199,048	139,187	59,861
At-Risk (4 year old)	17,527			17,527	31,175	(13,648)
At-Risk (K-12)	186,834			186,834	165,280	21,554
Debt Service Funds						
Bond and Interest	292,500			292,500	292,500	0

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-1 (con't)

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
General Property Taxes				
Ad Valorem Property Taxes	\$ 411,565	\$ 428,002	\$ 417,867	\$ 10,135
Delinquent Tax	6,590	11,333	6,280	5,053
Intergovernmental Receipts				
State Equalization Aid	2,466,026	2,252,478	2,482,540	(230,062)
State Aid - Special Education	350,193	350,058	359,853	(9,795)
ARRA Stabilization Funds	163,208	60,612	60,612	0
Education Jobs Funds	0	106,132	0	106,132
Federal Aid	15,762	5,408	0	5,408
Total Cash Receipts	<u>3,413,344</u>	<u>3,214,023</u>	<u>3,327,152</u>	<u>(113,129)</u>
Expenditures				
Instruction				
Certified Salaries	997,091	1,072,253	1,218,724	146,471
ARRA Salaries	86,367	60,612	0	(60,612)
Education Jobs Salaries	0	106,132	0	(106,132)
Employee Benefits	200,378	247,858	243,130	(4,728)
ARRA Employee Benefits	23,995	0	0	0
Teaching Supplies	10,504	36,482	22,500	(13,982)
Property & Equipment	14,976	3,166	18,000	14,834
Total Instruction	<u>1,333,311</u>	<u>1,526,503</u>	<u>1,502,354</u>	<u>(24,149)</u>
Student Support				
Certified Salaries	40,832	28,238	45,074	16,836
ARRA Salaries	3,796	0	0	0
Employee Benefits	2,821	2,054	3,488	1,434
Purchased Professional & Technical Services	2,843	7,502	3,500	(4,002)
Other Purchased Services	50	537	0	(537)
Other	9,072	4,589	10,000	5,411
Supplies	1,942	10,014	1,000	(9,014)
Total Student Support	<u>61,356</u>	<u>52,934</u>	<u>63,062</u>	<u>10,128</u>
Instructional Support				
Salaries	81,850	68,491	74,973	6,482
ARRA Salaries	7,437	0	0	0
Employee Benefits	7,354	5,741	5,810	69
Other Purchased Services	11,065	12,782	0	(12,782)
Supplies	1,626	2,440	23,451	21,011
Total Instructional Support	<u>109,332</u>	<u>89,454</u>	<u>104,234</u>	<u>14,780</u>
Expenditures Subtotal	<u>\$ 1,503,999</u>	<u>\$ 1,668,891</u>	<u>\$ 1,669,650</u>	<u>\$ 759</u>

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-1 (con't)

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures Carried Forward	\$ 1,503,999	\$ 1,668,891	\$ 1,669,650	\$ 759
General Administration				
Certified Salaries	71,688	85,050	85,050	0
Non-Certified Salaries	15,851	9,057	9,000	(57)
ARRA Stabilization	7,941	0	0	0
Employee Benefits	18,806	6,792	14,250	7,458
Purchased Professional & Technical Services	5,320	5,335	1,000	(4,335)
Other Purchased Services	35,275	4,038	34,500	30,462
Supplies	1,827	3,004	5,000	1,996
Purchased Property Services	0	781	2,000	1,219
Other	14,160	19,389	16,000	(3,389)
Total General Administration	170,868	133,446	166,800	33,354
School Administration				
Certified Salaries	86,982	71,130	68,522	(2,608)
Non-Certified Salaries	53,570	46,922	55,000	8,078
ARRA Salaries	23,364	0	0	0
Employee Benefits	17,748	8,263	19,662	11,399
Other Purchased Services	8,350	8,829	10,000	1,171
Supplies	1,604	1,278	2,500	1,222
Property & Equipment	1,998	3,861	2,500	(1,361)
Total School Administration	193,617	140,283	158,184	17,901
Other Supplemental Services				
Non-Certified Salaries	41,123	50,764	44,917	(5,847)
ARRA Stabilization	3,995	0	0	0
Employee Benefits	3,004	3,376	3,476	100
Purchased Professional & Technical Services	5,525	11,083	0	(11,083)
Other Purchased Services	858	587	0	(587)
Total Other Supplemental Services	54,505	65,810	48,393	(17,417)
Operations and Maintenance				
Non-Certified Salaries	115,421	129,133	117,000	(12,133)
Employee Benefits	9,101	16,547	17,750	1,203
Purchased Professional & Technical Services	43,307	0	0	0
Purchased Property Services	94,382	11,137	40,000	28,863
Other Purchased Services	2,867	893	2,500	1,607
Supplies	50,579	47,954	50,000	2,046
Property & Equipment	1,441	8,624	2,000	(6,624)
Total Operations and Maintenance	317,097	214,288	229,250	14,962
Expenditures Subtotal	\$ 2,240,085	\$ 2,222,718	\$ 2,272,277	\$ 49,559

The notes to the financial statement are an integral part of this statement.



UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-1 (con't)

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures Carried Forward	\$ 2,240,085	\$ 2,222,718	\$ 2,272,277	\$ 49,559
Student Transportation Services				
Supervision				
Non-Certified Salaries	26,400	26,570	39,894	13,324
ARRA Salaries	3,214	0	0	0
Employee Benefits	4,341	1,926	5,492	3,566
Vehicle Operating				
Non-Certified Salaries	69,941	99,039	73,771	(25,268)
ARRA Salaries	3,099	0	0	0
Employee Benefits	5,591	7,472	5,718	(1,754)
Other Purchased Services	9,332	0	14,000	14,000
Fuel	24,627	7,012	0	(7,012)
Equipment	0	0	100,000	100,000
Vehicle Service and Maintenance				
Purchased Professional & Technical Services	9,432	16,784	12,000	(4,784)
Supplies	9,347	12,324	9,000	(3,324)
Property & Equipment	554	202	10,000	9,798
Total Student Transportation Services	165,877	171,329	269,875	98,546
Fund Transfers				
Capital Outlay	222,215	173,761	50,000	(123,761)
Special Education	468,536	392,217	525,000	132,783
Vocational Education	71,350	0	0	0
Food Service	0	4,677	0	(4,677)
Contingency Reserve	68,144	0	25,000	25,000
At Risk (4 yr old)	0	19,685	10,000	(9,685)
At Risk (K-12)	133,472	157,782	175,000	17,218
Total Fund Transfers	963,717	748,122	785,000	36,878
Adjustment to Comply with Legal Max Budget	0	0	(187,001)	(187,001)
Legal General Fund Budget	3,369,679	3,142,169	3,140,151	(2,018)
Adjustments for Qualifying Budget Credits	0	0	2,018	2,018
Total Expenditures	3,369,679	3,142,169	\$ 3,142,169	\$ 0
Receipts Over (Under) Expenditures	43,665	71,854		
Unencumbered Cash, July 1	(314,220)	(270,555)		
Unencumbered Cash, June 30	\$ (270,555)	\$ (198,701)		

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-2

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

SUPPLEMENTAL GENERAL LOCAL OPTION BUDGET

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad Valorem Property Tax	\$ 468,201	\$ 521,840	\$ 494,759	\$ 27,081
Delinquent Tax	6,235	7,131	7,217	(86)
Motor Vehicle Tax	34,097	42,331	47,823	(5,492)
Recreational Vehicle Tax	534	2,015	996	1,019
State Aid	278,190	451,149	399,075	52,074
ARRA Stabilization Funds	99,739	0	0	0
Total Cash Receipts	<u>886,996</u>	<u>1,024,466</u>	<u>949,870</u>	<u>74,596</u>
Expenditures				
Instruction				
ARRA-Certified Salaries	99,739	0	0	0
Supplies	53,127	94,401	65,000	(29,401)
Property & Equipment	0	0	75,000	75,000
Other	0	0	50,000	50,000
General Administration				
Other Purchased Services	0	0	50,000	50,000
Operations and Maintenance				
Purchased Professional & Technical Services	34,119	113,689	125,000	11,311
Purchased Property Services	58,064	62,056	105,000	42,944
Heat and Electricity	38,469	92,005	80,000	(12,005)
Student Transportation Services				
Motor Fuel	11,939	39,278	15,729	(23,549)
Fund Transfers				
Drivers Education	23,832	0	0	0
Special Education	252,406	250,949	0	(250,949)
Professional Development	1,037	2,514	0	(2,514)
Vocational Education	176,268	250,628	254,271	3,643
At-Risk (4 Yr Old)	12,654	15,000	0	(15,000)
At-Risk (K-12)	73,948	2,989	75,000	72,011
Food Service	64,398	51,491	80,000	28,509
Total Expenditures	<u>900,000</u>	<u>975,000</u>	<u>\$ 975,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(13,004)	49,466		
Unencumbered Cash, July 1	(38,910)	(51,914)		
Unencumbered Cash, June 30	<u>\$ (51,914)</u>	<u>\$ (2,448)</u>		

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-3

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

CAPITAL OUTLAY FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
General Property Taxes				
Ad Valorem Property Tax	\$ 1,719	\$ 3	\$ 0	\$ 3
Delinquent Tax	1,136	798	0	798
Motor Vehicle	5,422	5,043	5,054	(11)
Recreational Vehicle Tax	78	46	105	(59)
Investment Income	8,601	5,768	0	5,768
Miscellaneous Revenue & Reimbursements	110,773	67,446	0	67,446
Federal Aid	7,757	0	0	0
Transfer from General Fund	222,215	173,761	50,000	123,761
Total Cash Receipts	<u>357,701</u>	<u>252,865</u>	<u>55,159</u>	<u>197,706</u>
Expenditures				
Property and Equipment	47,774	228,643	380,000	151,357
Land Improvements	1,000	0	10,000	10,000
Architect and Engineering	4,469	0	5,000	5,000
Facility Acquisition and Construction Services	4,286	4,287	25,000	20,713
Site Improvements	6,065	0	25,000	25,000
Building Improvements	65,279	169,003	100,000	(69,003)
Other	0	0	0	0
Total Expenditures	<u>128,873</u>	<u>401,933</u>	<u>\$ 545,000</u>	<u>\$ 143,067</u>
Receipts Over (Under) Expenditures	228,828	(149,068)		
Unencumbered Cash, July 1	301,606	530,434		
Unencumbered Cash, June 30	<u>\$ 530,434</u>	<u>\$ 381,366</u>		

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-4

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

DRIVERS EDUCATION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 1,700	\$ 2,294	\$ 0	\$ 2,294
Fees	4,279	1,250	2,310	(1,060)
Transfers In	23,832	0	0	0
Total Cash Receipts	<u>29,811</u>	<u>3,544</u>	<u>2,310</u>	<u>1,234</u>
Expenditures				
Instruction				
Salaries	6,180	5,000	5,000	0
Employee Benefits	460	391	388	(3)
Supplies	14	0	100	100
Vehicle Operation				
Salaries	0	0	1,200	1,200
Purchased Services	1,848	20	0	(20)
Property	12,349	0	30,000	30,000
Supplies	573	320	1,750	1,430
Total Expenditures	<u>21,424</u>	<u>5,731</u>	<u>\$ 38,438</u>	<u>\$ 32,707</u>
Receipts Over (Under) Expenditures	8,387	(2,187)		
Unencumbered Cash, July 1	<u>31,613</u>	<u>40,000</u>		
Unencumbered Cash, June 30	<u>\$ 40,000</u>	<u>\$ 37,813</u>		

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-5

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

FOOD SERVICE FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Receipts				
Federal Aid	\$ 103,110	\$ 85,920	\$ 95,447	\$ (9,527)
State Aid	2,213	1,896	1,791	105
Lunch Sales	80,021	72,369	80,036	(7,667)
Transfer from General	0	4,677	0	4,677
Transfer from Supplemental General	64,398	51,491	80,000	(28,509)
Total Cash Receipts	<u>249,742</u>	<u>216,353</u>	<u>257,274</u>	<u>(40,921)</u>
Expenditures				
Operations and Maintenance				
Purchased Property Services	3,637	6,908	4,000	(2,908)
Other	21,911	17,762	23,188	5,426
Food Operation				
Salaries	112,783	108,297	113,911	5,614
Employee Benefits	13,393	12,342	14,334	1,992
Other Purchased Services	275	115	0	(115)
Food	92,806	82,537	115,000	32,463
Non-Food	4,869	5,842	10,000	4,158
Equipment	77	4,208	5,000	792
Total Expenditures	<u>249,751</u>	<u>238,011</u>	<u>\$ 285,433</u>	<u>\$ 47,422</u>
Receipts Over (Under) Expenditures	(9)	(21,658)		
Unencumbered Cash, July 1	80,000	79,991		
Unencumbered Cash, June 30	<u>\$ 79,991</u>	<u>\$ 58,333</u>		

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-6

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

PROFESSIONAL DEVELOPMENT FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Receipts				
State Aid	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	1,037	2,514	0	2,514
Total Cash Receipts	<u>1,037</u>	<u>2,514</u>	<u>0</u>	<u>2,514</u>
Expenditures				
Salaries	0	0	0	0
Employee Benefits	0	0	0	0
Purchased Professional Services	0	1,538	2,000	462
Other	1,655	0	1,000	1,000
Supplies	<u>0</u>	<u>1,685</u>	<u>0</u>	<u>(1,685)</u>
Total Expenditures	<u>1,655</u>	<u>3,223</u>	<u>\$ 3,000</u>	<u>\$ (223)</u>
Receipts Over (Under) Expenditures	(618)	(709)		
Unencumbered Cash, July 1	<u>11,327</u>	<u>10,709</u>		
Unencumbered Cash, June 30	<u>\$ 10,709</u>	<u>\$ 10,000</u>		

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-7

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

SPECIAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Federal Aid	\$ 9,836	\$ 2,713	\$ 0	\$ 2,713
Reimbursements	0	11,748	0	11,748
Transfer from General	468,536	392,217	525,000	(132,783)
Transfer from Supplemental General	252,406	250,948	0	250,948
Total Cash Receipts	<u>730,778</u>	<u>657,626</u>	<u>525,000</u>	<u>132,626</u>
Expenditures				
Instruction				
Certified Salaries	41,894	65,521	23,000	(42,521)
Employee Benefits	138	712	65	(647)
Special Education Coop	426,995	476,095	482,653	6,558
Other Purchased Services	0	0	0	0
Transportation				
Salaries	48,846	17,424	25,000	7,576
Employee Benefits	4,938	1,342	2,125	783
Purchased Services	3,453	1,174	1,775	601
Supplies	4,656	3,752	1,500	(2,252)
Equipment	0	132	0	(132)
Vehicle Services and Maintenance				
Purchased Professional and Technical Services	2,752	514	1,500	986
Adjustments for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>11,748</u>	<u>11,748</u>
Total Expenditures	<u>533,671</u>	<u>566,666</u>	<u>\$ 549,366</u>	<u>\$ (17,300)</u>
Receipts Over (Under) Expenditures	197,107	90,960		
Unencumbered Cash, July 1	<u>169,016</u>	<u>366,123</u>		
Unencumbered Cash, June 30	<u>\$ 366,123</u>	<u>\$ 457,083</u>		

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-8

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

VOCATIONAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Transfer from General	\$ 71,350	\$ 0	\$ 0	\$ 0
Transfer from Supplemental General	176,268	250,628	254,271	(3,643)
Total Cash Receipts	<u>247,618</u>	<u>250,628</u>	<u>254,271</u>	<u>(3,643)</u>
Expenditures				
Instruction				
Certified Salaries	202,877	218,703	204,906	(13,797)
Employee Benefits	14,429	14,845	15,865	1,020
Other Purchased Services	0	36	0	(36)
Supplies	9,927	17,044	12,000	(5,044)
Operations and Maintenance				
Supplies	20,385	0	21,500	21,500
Total Expenditures	<u>247,618</u>	<u>250,628</u>	<u>\$ 254,271</u>	<u>\$ 3,643</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

The notes to the financial statement are an integral part of this statement.



UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-9

Statement of Cash Receipts and Expenditures – Actual  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

CONTINGENCY RESERVE

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfer from General	\$ 68,144	\$ 0
Expenditures	18,144	0
Receipts Over (Under) Expenditures	50,000	0
Unencumbered Cash, July 1	100,000	150,000
Unencumbered Cash, June 30	\$ 150,000	\$ 150,000

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-10

Statement of Cash Receipts and Expenditures – Actual  
For the Fiscal Year Ended June 30, 2011

FEDERAL GRANTS

	Title I	Title II-A Teacher Quality	Title II-D Technology Fund	Title II-D Technology Rich Grant	REAP Grant
Cash Receipts					
Federal Aid	\$ 77,935	\$ 22,298	\$ 264	\$ 28,000	\$ 32,025
ARRA Federal Aid	24,942	0	0	0	0
Reaped from other programs	0	0	9,736	0	0
Total Cash Receipts	<u>102,877</u>	<u>22,298</u>	<u>10,000</u>	<u>28,000</u>	<u>32,025</u>
Expenditures					
Salaries	73,350	0	7,000	17,859	0
ARRA Salaries	24,942	0	0	0	0
Employee Benefits	3,468	0	0	1,466	0
Materials & Supplies	1,117	496	2,800	0	0
Purchased Prof. & Tech. Services	0	4,262	200	0	0
Other Purchased Services	0	7,804	0	0	32,025
Equipment	0	0	0	8,000	0
Other	0	0	0	675	0
Reaped to other programs	0	9,736	0	0	0
Total Expenditures	<u>102,877</u>	<u>22,298</u>	<u>10,000</u>	<u>28,000</u>	<u>32,025</u>
Receipts Over(Under) Expenditures	0	0	0	0	0
Unencumbered Cash, July 1	0	0	0	0	0
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-11

Statement of Cash Receipts and Expenditures – Actual  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

MISCELLANEOUS GRANTS & CLEARING

	Prior Year Actual	Current Year Actual
Cash Receipts		
Reimbursements & Miscellaneous	\$ 1,428	\$ 1,721
Health Grants	8,208	4,520
Monsanto Grant	0	2,500
Greenhouse Grant	28,820	0
Total Receipts	<u>38,456</u>	<u>8,741</u>
Expenditures		
Miscellaneous	113	1,184
Health Grant Expense	6,778	2,572
Monsanto Grant	0	2,500
Greenhouse Expense	29,745	1,070
Total Expenditures	<u>36,636</u>	<u>7,326</u>
Receipts Over (Under) Expenditures	1,820	1,415
Unencumbered Cash, July 1	2,764	4,584
Prior Year Cancelled Encumbrances	0	1,995
Unencumbered Cash, June 30	<u>\$ 4,584</u>	<u>\$ 7,994</u>

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-12

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

KPERS RETIREMENT FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Receipts				
State of Kansas	\$ 90,705	\$ 227,498	\$ 199,048	\$ 28,450
Expenditures				
Employee Benefits - Instruction	115,774	88,875	133,222	44,347
Employee Benefits - Student Support	3,153	1,815	5,011	3,196
Employee Benefits - Instructional Support	8,923	6,515	7,738	1,223
Employee Benefits - General Administration	12,852	14,006	17,013	3,007
Employee Benefits - School Administration	15,183	8,380	10,255	1,875
Employee Benefits - Other Supplemental Services	0	0	0	0
Employee Benefits - Operations and Maintenance	10,206	10,275	11,034	759
Employee Benefits - Student Transportation	5,343	3,258	6,231	2,973
Employee Benefits - Food Service	7,582	6,063	8,544	2,481
Total Expenditures	179,016	139,187	\$ 199,048	\$ 59,861
Receipts Over (Under) Expenditures	(88,311)	88,311		
Unencumbered Cash, July 1	0	(88,311)		
Unencumbered Cash, June 30	\$ (88,311)	\$ 0		

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-14

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

AT-RISK (4 YEAR OLD)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Miscellaneous	\$ 11,982	\$ 7,378	\$ 0	\$ 7,378
Transfer from General Fund	0	19,685	10,000	9,685
Transfer from Supplemental General Fund	12,654	15,000	0	15,000
Total Cash Receipts	<u>24,636</u>	<u>42,063</u>	<u>10,000</u>	<u>32,063</u>
Expenditures				
Instruction				
Certified Salaries	22,109	22,825	15,047	(7,778)
Supplies	767	980	0	(980)
Operations and Maintenance				
Purchased Property Services	689	675	680	5
Supplies	1,744	6,695	1,800	(4,895)
Total Expenditures	<u>25,309</u>	<u>31,175</u>	<u>\$ 17,527</u>	<u>\$ (13,648)</u>
Receipts Over (Under) Expenditures	(673)	10,888		
Unencumbered Cash, July 1	<u>8,200</u>	<u>7,527</u>		
Unencumbered Cash, June 30	<u>\$ 7,527</u>	<u>\$ 18,415</u>		

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-15

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

AT-RISK (K-12)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Miscellaneous	\$ 4,398	\$ 4,509	\$ 0	\$ 4,509
Transfer from General Fund	133,472	157,782	175,000	(17,218)
Transfer from Supplemental General	73,948	2,989	75,000	(72,011)
Total Cash Receipts	<u>211,818</u>	<u>165,280</u>	<u>250,000</u>	<u>(84,720)</u>
Expenditures				
Instruction				
Certified Salaries	178,427	115,539	126,000	10,461
Non-Certified Salaries	0	20,549	27,270	6,721
Employee Benefits	21,916	11,158	21,500	10,342
Supplies	11,476	12,405	12,064	(341)
Equipment	<u>0</u>	<u>5,629</u>	<u>0</u>	<u>(5,629)</u>
Total Expenditures	<u>211,818</u>	<u>165,280</u>	<u>\$ 186,834</u>	<u>\$ 21,554</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-16

Statement of Cash Receipts and Expenditures – Actual  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

CHARTER SCHOOL FUND

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 155,000	\$ 0
Expenditures		
Instruction		
Certified Salaries	65,996	0
Employee Benefits	11,767	0
Purchased Professional & Technical Services	32,667	0
Property & Equipment	15,378	0
Instructional Support		
Other Purchased Services	3,449	0
General Administration		
Other	2,000	0
School Administration		
Certified Salaries	14,857	0
Employee Benefits	1,149	0
Other Purchased Services	1,037	0
Supplies	6,700	0
Total Expenditures	155,000	0
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, July 1	0	0
Unencumbered Cash, June 30	\$ 0	\$ 0

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-17

Statement of Cash Receipts and Expenditures – Actual and Budget  
For the Fiscal Year Ended June 30, 2011  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

BOND AND INTEREST FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
General Property Taxes				
Ad Valorem Property Tax	\$ 196,593	\$ 193,062	\$ 188,202	\$ 4,860
Delinquent Tax	4,619	4,187	3,009	1,178
Motor Vehicle	26,276	22,274	24,016	(1,742)
Recreational Vehicle	457	370	499	(129)
Intergovernmental Receipts				
State Aid	85,724	82,880	82,880	0
Total Cash Receipts	<u>313,668</u>	<u>302,773</u>	<u>298,606</u>	<u>4,167</u>
Expenditures				
Bond Principal	200,000	205,000	205,000	0
Bond Interest	95,600	87,500	87,500	0
Commission and Fees	0	0	0	0
Total Expenditures	<u>295,600</u>	<u>292,500</u>	<u>\$ 292,500</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	18,068	10,273		
Unencumbered Cash, July 1	<u>554,417</u>	<u>572,485</u>		
Unencumbered Cash, June 30	<u>\$ 572,485</u>	<u>\$ 582,758</u>		

The notes to the financial statement are an integral part of this statement.



UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 3-18

Statement of Cash Receipts and Expenditures – Actual  
For the Fiscal Year Ended June 30, 2011

FIDUCIARY TYPE FUNDS

	Oscar F. Stauffer Trust	Lola Heath Memorial	Martha Jane Hylton Foundation	Total
Cash Receipts	\$ 969	\$ 7	\$ 0	\$ 976
Expenditures	0	16	0	16
Receipts Over (Under) Expenditures	969	(9)	0	960
Unencumbered Cash, July 1	32,323	1,248	1,000	34,571
Unencumbered Cash, June 30	<u>\$ 33,292</u>	<u>\$ 1,239</u>	<u>\$ 1,000</u>	<u>\$ 35,531</u>

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 4

Statement of Cash Receipts, Cash Disbursements  
and Cash Balances – Actual  
For the Fiscal Year Ended June 30, 2011

AGENCY FUNDS

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Hope School				
Class of 2011	\$ 500	\$ 6,616	\$ 7,116	\$ 0
Class of 2012	1,272	2,437	3,028	681
Class of 2013	1,761	980	0	2,741
Class of 2014	17	2,387	1,277	1,127
Class of 2015	0	154	92	62
Alumni	133	0	0	133
FCCLA	143	728	693	178
National Honor Society	86	0	68	18
Pep Club	547	1,409	1,823	133
H.S. Stuco	1,637	6,596	6,603	1,630
FFA	4,412	13,411	12,239	5,584
SADD	161	0	161	0
FBLA	865	1,538	1,837	566
H.S. Scholar Bowl	347	0	0	347
FCA	612	565	949	228
Faculty Staff	3	72	0	75
Interest	0	88	88	0
Subtotal - Hope Activity	<u>12,496</u>	<u>36,981</u>	<u>35,974</u>	<u>13,503</u>
White City Activity				
Class of 2011	776	3,479	4,255	0
Class of 2012	6,761	10,100	7,047	9,814
Class of 2013	3,822	2,577	9	6,390
Class of 2014	969	2,122	32	3,059
Class of 2015	417	428	0	845
Class of 2016	0	428	0	428
Weight Club	356	225	0	581
J.H. Cheerleaders	98	448	85	461
H.S. Cheerleaders	114	2,954	1,192	1,876
FCCLA	372	1,059	1,372	59
National Honor Society	222	128	281	69
Stucco	3,183	6,524	5,968	3,739
Scholars Bowl	778	368	299	847
F.O.R.	275	372	464	183
Dance Team	172	1,160	1,097	235
Art Club	0	436	123	313
G.U.S.	228	0	0	228
Subtotal - White City Activity	<u>18,543</u>	<u>32,808</u>	<u>22,224</u>	<u>29,127</u>
Total Agency Funds	<u>\$ 31,039</u>	<u>\$ 69,789</u>	<u>\$ 58,198</u>	<u>\$ 42,630</u>

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 481  
RURAL VISTA  
WHITE CITY, KANSAS

Statement 5

Statement of Cash Receipts and Expenditures - Actual  
For the Fiscal Year Ended June 30, 2011

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
Hope School	\$ 7,821	\$ 16,943	\$ 16,394	\$ 8,370	\$ 0	\$ 8,370
White City School	2,617	16,679	17,488	1,808	0	1,808
Subtotal Gate Receipts	<u>10,438</u>	<u>33,622</u>	<u>33,882</u>	<u>10,178</u>	<u>0</u>	<u>10,178</u>
School Projects						
Hope School						
Concessions	43	533	265	311	0	311
Principal Activity Account	792	555	1,347	0	0	0
Vo Ag Resale	0	1,428	1,428	0	0	0
Woodworking Resale	0	7,193	7,193	0	0	0
Annual	0	565	565	0	0	0
HS Vocal	822	0	743	79	0	79
In House Training	250	20	25	245	0	245
JH Science	154	0	0	154	0	154
Art Department	32	0	31	1	0	1
Book Fair	1,389	120	190	1,319	0	1,319
Elementary	131	3,190	1,091	2,230	0	2,230
Dailey Grind	1,149	5,288	4,452	1,985	0	1,985
Clearing Fund	0	1,421	1,421	0	0	0
Sales Tax	39	1,558	1,569	28	0	28
Subtotal Hope School	<u>4,801</u>	<u>21,871</u>	<u>20,320</u>	<u>6,352</u>	<u>0</u>	<u>6,352</u>
White City Schhol						
Concessions	1,436	5,312	5,715	1,033	0	1,033
Choir	3,284	404	2,632	1,056	0	1,056
Student Supplies/Resale	0	3,151	3,056	95	0	95
Annual	0	1,487	1,384	103	0	103
Foresics/Play	184	490	567	107	0	107
Band	914	458	790	582	0	582
Book Fair	1,325	1,518	704	2,139	0	2,139
Tree Huggers	0	485	0	485	0	485
Yearbook	818	200	395	623	0	623
Clearing	90	3,773	3,662	201	0	201
Interest	202	74	198	78	0	78
Sales Tax	7	1,576	1,489	94	0	94
Subtotal White City School	<u>8,260</u>	<u>18,928</u>	<u>20,592</u>	<u>6,596</u>	<u>0</u>	<u>6,596</u>
Subtotal School Projects	<u>13,061</u>	<u>40,799</u>	<u>40,912</u>	<u>12,948</u>	<u>0</u>	<u>12,948</u>
Total District Activity Funds	<u>\$ 23,499</u>	<u>\$ 74,421</u>	<u>\$ 74,794</u>	<u>\$ 23,126</u>	<u>\$ 0</u>	<u>\$ 23,126</u>

The notes to the financial statement are an integral part of this statement.

Unified School District No. 481  
Rural Vista  
White City, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011

NOTE 1 - FUND DESCRIPTIONS

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash, and other financial resources, together with all related expenditures and residual cash balances, and changes within, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the fiscal year ended June 30, 2011.

Governmental Funds

General and Supplemental General Fund--to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds--to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Fund--to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Fiduciary Funds

Expendable Trust and Agency Funds--to account for assets held in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds. These include Expendable Trust Funds, Non-expendable Trust Funds, and Agency Funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Unified School District No. 481 is a municipal corporation governed by a seven member board of education. The district is a primary government and has no component units.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be recorded in the fund from which the transfer is made.

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

The District has approved a resolution that is in accordance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the district to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with U.S. generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the district are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

NOTE 3 - BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding eighteen month period on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

After the above procedures have been followed; the Kansas State Board of Education computes what the maximum legal general fund and supplemental general fund budgets of operating expenses can be. For the fiscal year ended June 30, 2011, the State calculation of the legal maximum general fund budget was \$3,140,151 and the legal maximum supplemental general fund was \$975,000. In accordance with Kansas statutes, a district will be penalized state aid equal to the amount expended in excess of the computed statutory limitation plus any qualifying budget credits. The District was within its maximum legal general fund and supplemental general fund budget authority for the fiscal year ended June 30, 2011.

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June 30, 2011

NOTE 3 - BUDGETARY INFORMATION (CONT)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end. Any unused portion of a prior year encumbrance cannot be used as expenditure authority for any purpose other than the original purchase order or contract. Therefore, any unused portion of a prior year encumbrance is canceled and added back as an adjustment to beginning unencumbered cash in Statements 1 and 3.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds: Fiduciary Type Funds, Gate Receipts, Concession Fund, Nonexpendable Trust Funds, Contingency Reserve Fund, Misc Grants & Clearing Fund, Trust Funds and Federal Funds including Charter School.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by use of internal spending limits established by the governing body.

Statements 2 and 3 present budgetary comparison of the actual data on the budgetary basis, which includes encumbrances and transfers with the legally adopted budget. Because of tax levying dates, it is necessary that budget expenditures and revenues be estimated for an additional six month period on its budget which has not been included on Statements 2 and 3.

Property taxes are levied by the Kansas Counties in which the School District resides on November 1 and are payable in two installments on December 20 and May 10 of the subsequent year. The Counties collect and distribute in the succeeding year all property taxes collected for the District. Therefore, taxes levied for the District on November 1, 2010 will be distributed to the District by the County during 2011.

NOTE 4 - DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds, except the Capital Project Fund and the Nonexpendable Trust Funds. The District held no investments during the year, only deposits with allowable financial institutions. All interest earned during the year on idle funds of the governmental fund types was credited to the capital outlay fund as allowed by Kansas statutes.

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the Government's funds have a main or branch bank in the county in which the

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 4 - DEPOSITS AND INVESTMENTS (CONT)

Government is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Government's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Government has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Government has no designated "peak period". All deposits were not legally secured at June 30, 2011.

At June 30, 2011, the carrying amount of the district's deposits, including certificates of deposits, was \$1,684,102 and the bank balance was \$2,020,401. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$817,012 was covered by F.D.I.C., \$1,171,401 was collateralized with securities held by the pledging financial institution's agents in the District's name and the remaining \$31,988 was unsecured.

NOTE 5 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description - USD 481, Rural Vista, White City, Kansas participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits,

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONT)

and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% or 6% of covered salary, depending on employee eligibility dates. Member-employee's contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 9.17% of covered payroll for the period 7/1/10 to 6/30/11 and currently contributes 9.77% of covered payroll for the period 7/1/11 to 6/30/12. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010 and 2009 were \$253,834,044, \$248,468,186, and \$242,277,363 respectively, equal to the required contributions for each year.

NOTE 7 - COMPENSATED ABSENCES AND FRINGE BENEFITS FOR FULL TIME EMPLOYEES

Vacation and Temporary Leave

U.S.D. 481 provides vacation leave for the classified full-time employees. Each entitled employee receives one week of leave after one year of employment; two weeks per year after two years and up to ten years of employment; and three weeks per year after ten years of employment. Unused vacation leave may be cumulative up to a maximum of twenty-five days at the end of each school year.

Temporary leave is defined as absence from duties for illness, bereavement, or personal business. Temporary leave is provided for most District employees. Certified employees receive twelve days of temporary leave annually and can carryover up to sixty days to the next year. Classified employees receive one day per month employed of temporary leave. Full-time employees can accumulate up to a maximum of fifty days at the end of the year and part-time employees can accumulate up to thirty-eight days.

No estimate has been made of the total amounts of accumulated leave nor has any amount been reported or disclosed in these financial statements.

Section 125 Cafeteria Plan

U.S.D. 481 maintains an Internal Revenue Code Section 125 plan "cafeteria plan". The amount of salary to be reduced shall not exceed the sum authorized by the Internal Revenue Code. U.S.D. 481 contributes \$3,490 annually for full-time certified personnel to be used for health coverage. For all other employees, the benefit is prorated. If an employee chooses to not be covered under the health coverage, they lose this benefit. Options available for salary reduction include, but are not limited to: health insurance, cancer/intensive care insurance, salary protection insurance, childcare/medical reimbursement, and group term life insurance.



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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the district is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

NOTE 9 - INTERFUND TRANSFERS

Transfers between budgetary funds are for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenues. Operating transfers during the fiscal year ended June 30, 2011 consisted of the following:

Transfer From	Transfer To	Statutory Authority	Amount
General	At Risk (4 yr old)	72-6428	\$ 19,985
General	Special Education	72-6428	392,217
General	At Risk (K-12)	72-6428	157,782
General	Capital Outlay	72-6428	173,761
General	Food Service	72-6428	4,677
Supplemental General	Food Service	72-6433	51,491
Supplemental General	Vocational Education	72-6433	250,628
Supplemental General	Special Education	72-6433	250,948
Supplemental General	Professional Development	72-6433	2,514
Supplemental General	At Risk (4 yr old)	72-6433	15,000
Supplemental General	At Risk (K-12)	72-6433	2,989

NOTE 10 – OPERATING LEASE

The District entered into an operating lease on May 3, 2010 with Ikon for the use of its copiers for a term of 60 months. The agreements calls for monthly payments of \$1,590 for the use of the copiers and \$160 for a maintenance agreement. The current year rental & maintenance payments under this agreement were \$22,750.

Unified School District No. 481  
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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011

NOTE 11 – CONTINGENCIES

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2011.

NOTE 12 - LONG-TERM DEBT

General Obligation Bonds

On March 1, 2006, the District issued \$2,690,000 in General Obligation Bonds used to advance refund prior general obligation bonds issued to pay the cost of construction, renovating, furnishing and equipping facilities of the district and to pay a portion of the interest cost on the bonds during construction. The District began making interest payments on September 1, 2006 and made its first principal payment on September 1, 2007. The District levies taxes for principal & interest payments which are made from the Bond & Interest Fund.

Changes in long-term liabilities for the District for the year ended June 30, 2011, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Refunding Bonds	3.50-4.0%	3/1/2006	\$ 2,690,000	9/1/18	\$ 2,290,000	\$ 0	\$ 205,000	\$ 0	\$ 2,085,000	\$ 87,500
Total long-term debt					\$ 2,290,000	\$ 0	\$ 205,000	\$ 0	\$ 2,085,000	\$ 87,500

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2012	2013	2014	2015	2016	2017-2018	Total
PRINCIPAL							
General Obligation Bonds	\$ 215,000	\$ 230,000	\$ 240,000	\$ 255,000	\$ 265,000	\$ 880,000	\$ 2,085,000
INTEREST							
General Obligation Bonds	79,100	70,200	60,800	50,900	40,500	53,800	355,300
Total Principal and Interest	\$ 294,100	\$ 300,200	\$ 300,800	\$ 305,900	\$ 305,500	\$ 933,800	\$ 2,440,300

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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011

NOTE 13 – COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports, Department of Education, and interpretation by the County Attorney and legal representatives of the municipality.

The General Fund showed a negative unencumbered cash balance of (\$198,701), and the Supplemental General Fund a negative unencumbered cash balance of (\$2,448) for the year ended June 30, 2011. K.S.A. 10-1116A (or 10-1116) provides that under certain situations, funds can end the year with a negative unencumbered cash balance and are therefore, exempt from the cash basis law of the State of Kansas. These funds are not deemed to be in violation of the Kansas cash basis law.

Deposits with financial institutions were not adequately secured at times in accordance with K.S.A. 9-1402.

Expenditures for the Special Education Fund, At Risk (4 yr old) Fund and the Professional Development Fund were in excess of the budgeted expenditures plus budget credits in violation of K.S.A. 79-2935.

The District did not make mandatory purchases of products and services offered by Kansas industries for the blind and severely disabled in accordance with K.S.A. 75-3317 through 75-3322.

Management is not aware of any other statutory violations for the period covered by this audit.

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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011

NOTE 13 – COMPLIANCE WITH KANSAS STATUTES (Cont)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of state aid that is due to be paid during the month of June and is paid the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these education statutes for the General, Supplemental General and KPERs Retirement Funds for the year ended June 30, 2011.

Unified School District No. 481  
Statutory Revenues and Expenditures - Statutory and Budget  
For the Year Ended June 30, 2011

GENERAL FUND			
	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
General Property Taxes	\$ 439,335	\$ 424,147	15,188
State Equalization Aid	2,180,624	2,482,540	(301,916)
State Special Education Aid	350,058	359,853	(9,795)
ARRA Stabilization Funds	60,612	60,612	0
Education Jobs Funds	106,132	0	106,132
Federal Aid	5,408	0	5,408
Total Statutory Revenues	<u>3,142,169</u>	<u>3,327,152</u>	<u>(184,983)</u>
Expenditures			
Instruction	1,526,503	1,502,354	(24,149)
Student Support	52,934	63,062	10,128
Instructional Support	89,454	104,234	14,780
General Administration	133,446	166,800	33,354
School Administration	140,283	158,184	17,901
Other Supplemental Services	65,810	48,393	(17,417)
Operation and Maintenance	214,288	229,250	14,962
Student Transportation	171,329	269,875	98,546
Fund Transfers	748,122	785,000	36,878
Adjustment to Comply with Legal Max	0	(187,001)	(187,001)
Legal General Fund Budget	3,142,169	3,140,151	(2,018)
Adjustments for Qualifying Budget Credits	0	2,018	2,018
Total Expenditures	<u>3,142,169</u>	<u>\$ 3,142,169</u>	<u>\$ 0</u>
Revenue Over (Under) Expenditures	0		
Modified Unencumbered Cash, July 1, 2010	0		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 0</u>		

Unified School District No. 481  
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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011

NOTE 13 – COMPLIANCE WITH KANSAS STATUTES (Cont)

Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Cont)

Unified School District No. 481  
Statutory Revenues and Expenditures - Statutory and Budget  
For the Year Ended June 30, 2011

SUPPLEMENTAL GENERAL FUND

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
General Property Taxes	\$ 573,317	\$ 550,795	\$ 22,522
State Equalization Aid	397,774	399,075	(1,301)
ARRA Stabilization Funds	<u>0</u>	<u>0</u>	<u>0</u>
Total Statutory Revenues	<u>971,091</u>	<u>949,870</u>	<u>21,221</u>
Expenditures			
Instruction	94,401	190,000	95,599
General Administration	0	50,000	50,000
Operations & Maintenance	267,750	310,000	42,250
Student Transportation	39,278	15,729	(23,549)
Fund Transfers	<u>573,571</u>	<u>409,271</u>	<u>(164,300)</u>
Total Expenditures	<u>975,000</u>	<u>\$ 975,000</u>	<u>\$ 0</u>
Revenue Over (Under) Expenditures	(3,909)		
Modified Unencumbered Cash, July 1, 2010	<u>25,094</u>		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 21,185</u>		

Unified School District No. 481  
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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011

NOTE 13 – COMPLIANCE WITH KANSAS STATUTES (Cont)

Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Cont)

Unified School District No. 481  
Statutory Revenues and Expenditures - Statutory and Budget  
For the Year Ended June 30, 2011

KPERS RETIREMENT CONTRIBUTIONS

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
Intergovernmental Receipts			
State of Kansas	\$ 139,187	\$ 199,048	\$ (59,861)
Total Statutory Revenues	<u>139,187</u>	<u>199,048</u>	<u>(59,861)</u>
Expenditures			
Employee Benefits - Instruction	88,875	133,222	44,347
Employee Benefits - Student Support	1,815	5,011	3,196
Employee Benefits - Instructional Support	6,515	7,738	1,223
Employee Benefits - General Administration	14,006	17,013	3,007
Employee Benefits - School Administration	8,380	10,255	1,875
Employee Benefits - Other Supp Services	0	0	0
Employee Benefits - Operations & Maint	10,275	11,034	759
Employee Benefits - Student Transportation	3,258	6,231	2,973
Employee Benefits - Food Service	6,063	8,544	2,481
Total Expenditures	<u>139,187</u>	<u>\$ 199,048</u>	<u>\$ 59,861</u>
Revenue Over (Under) Expenditures	0		
Modified Unencumbered Cash, July 1, 2010	<u>0</u>		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 0</u>		